26 July 1957

MEMORANDUM FOR: Deputy Director/Intelligence

THROUGH: Assistant Director, Research and Reports

SUBJECT: Trip Report of [redacted] 25X1A9a

I. Purpose of Trip

The trip was designed to develop my area competence with regard to Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Colombia, and Venezuela for use in geographical-intelligence studies undertaken by my Division.

II. Activities and Findings

In each of the countries visited my procedure included: (1) discussions with various embassy officials concerning my proposed itinerary within the country and the recent economic and political developments; (2) a reconnaissance trip through as many different regions as time permitted in order to gain an overall view of the major physical and cultural characteristics; and (3) a closer look at the most important aspects of the local economy, such as the production of coffee in Costa Rica, and the iron-ore and petroleum developments in Venezuela. Thus I was able to take advantage of the accumulated knowledge of individuals intimately associated with each country and also to draw my own conclusions through first-hand observation.

I found the embassy and consular officers most cooperative and willing to give me every possible aid. To compensate at least partially for this cordial attitude, I asked for assistance only when it was absolutely necessary.

I travelled by plane from capital city to capital city, but upon reaching each "new" country I used surface transportation -- bus, automobile, train, boat, and even horseback -- whenever practicable. I considered this to be essential if I were to become familiar with the elements of the landscape, including terrain, land use, settlement pattern, industrial development, urban expansion, and transportation lines. By following this practice, I learned considerably more than would have been possible from the air, particularly since the cloud cover during most of each day precluded adequate aerial observation.

The following paragraphs relate in some detail my activities, observations, and impressions during this 8-week trip.

1. Mexico - 22 April - 2 May

Mexico City

Mexico City is already one of the largest cities in the Western Hemisphere, with a population of some 2.5 million, and is continuing to expand at a rapid rate. I was able to cover only a small part of the metropolitan area, but even so it was clearly evident that the city is the economic heart of the country and that its economic importance is increasing. The roar of bulldozers could be heard in many parts of the urban area: In the outskirts, land was being cleared for new factories or for additions to present industrial plants; in the heart of the city, ramshackle buildings were being razed to make way for large office buildings. The city already has the tallest office building in Latin America; tourist guides enjoy pointing out that this particular structure is higher than the Empire State Building. This statement, I'm told, infuriates New Yorkers until they realize that the altitude of Mexico City is about 7,500 feet above sea level.

The much-publicized University City, the campus of the National University of Mexico, is located in the southern part of the urban area. The physical plant is so extensive and many of the buildings are so unusual that the few hours I spent there were not enough to do justice to the monumental project. The buildings are splendid examples of ultra-modern Mexican architecture, but at the same time the pre-colonial Indian motif does not appear to be out of place.

Many of the new industrial structures that I observed in the suburbs were assembly plants of U. S. firms (e.g., Kelvinator and General Electric), but others such as a cement pipe plant are complete units.

Mexico City-Pachuca-Poza Rica

My first side trip from Mexico City was to the old silver-mining city of Pachuca and from there to the oilfield at Poza Rica. The vast, flat fields along each side of the excellent highway leading to Pachuca (about 60 miles northeast of Mexico City) were being plowed in preparation for the planting of cereals, probably wheat. The city of Pachuca (population 65,000) had changed somewhat in outward appearance since I had last seen it, in 1948. A new campus was being laid out for the local polytechnic institute and at least a dozen buildings were almost completed. A new state legislative building was partially finished. I noted no new industries, however, and, in fact, one sizable textile plant at the edge of town did not appear to be in operation.

The silver mines in the vicinity of Pachuca have been worked for at least 400 years, and for much of this time they were the most

productive in the world. In recent decades, however, the amount of ore produced has been decreasing and has now reached the point where it is questionable whether the continued operation of the mines and the refinery is feasible. I was told that the Mexican Government which for the past 10 years has owned and operated the property is content to continue working the mines so long as they provide employment and are not a drain on the treasury. I asked one of the mine officials what the possibilities were for the mine, but he refused to make a prediction except to say that experts began claiming in 1925 that the mines were almost exhausted but that new veins have been discovered frequently since then, nonetheless.

The area beyond Pachuca is extremely arid but is nevertheless a productive agricultural zone, specializing in maguey, a plant that is the source of a popular alcoholic beverage. After a long drive through the flat maguey country, I went up, through, and down the rugged Sierra Madre Oriental. I noted some excellent stands of pine in this mountainous area, and extensive banana plantations in the foothills and on the rolling land near the Poza Rica oilfield.

The town of Poza Rica was impressive particularly because of its newness: a new recreation building, including swimming pool and ballfield; a new social club; a new hotel; a new oil refinery; and new, wide, well-lighted streets. Perched on the hillside overlooking the main part of the town are numerous hovels, most of which appeared to be occupied. The petroleum workers' union apparently plays a big role in the town's affairs; for example, the club and the only theater in the town are operated by the union.

The oilfield itself is one of Mexico's most productive, but in appearance it was unlike any I have seen in the United States. I had expected rows of rigs, in echelon. Instead these wells were scattered throughout the countryside in no apparent pattern, often as much as a half mile or even a mile apart. Also, most of the superstructure had been removed from the wells and only the "Christmas tree" gave any indication of the presence of an active oilfield. Storage and pumping stations also are scattered about the countryside.

The terrain appeared to present few if any obstacles to oilfield operations. The hilly-to-rolling terrain required some bulldozing to build roads to well sites, but nothing unusually difficult. Roads throughout the area were good: asphalt on the main thoroughfares and well-packed soil from the main roads to the wells.

There were many soldiers in the area guarding the various installations, including the refinery in the town, the plants outside the urban area, and the bridge leading into the town from Pachuca.

Mexico City-Puebla-Orizaba-Veracruz-Jalapa-Puebla

On this trip southeast of Mexico City I passed through the same sequence of land uses as I had noted on the trip to Pachuca and Poza Rica, mentioned above. These included a belt of industrial plants near the outskirts of the city; an extensive area of flat, productive agricultural land; a few herds of dairy cattle; and, in the high elevations in the mountains, tall, telephone-pole-size pines.

Puebla is one of Mexico's largest cities and the center of a fair-sized textile industry. The streets were clean, the plaza large and pleasant; numerous schools had recently been completed; and there was considerable activity in the construction of more schools and single-family dwellings. Land near Puebla appeared to be productive -- or would be once the rainy season commenced. However, as I traveled down toward sea level from the 7,000-foot Puebla area, the land looked less fertile.

The cities of Orizaba and Córdoba (at about 4,000 feet and 3,000 feet, respectively) have something of a reputation for being centers of important agricultural areas, but if this is true the good land is not near the highway on which I traveled. I saw fields of corn, coffee, and bananas, but nothing extensive. Near sea level, there were miles of apparently unused or lightly grazed land.

The city of Veracruz is both a seashore resort and Mexico's busiest port. It has numerous resort-type hotels and private homes, but the scale is that of a small Ocean City, Maryland, rather than of Atlantic City, New Jersey. Apparently the Mexicans consider the climate of their living places sufficiently pleasant so that they do not feel impelled to rush to the seashore to cool off as do North Americans. The port part of the city was not overly active when I was there, possibly because it was Sunday. There were six small naval ships in the harbor. I received the impression (based on a cursory examination) that shipping facilities, such as railroad sidings and warehouses, were adequate.

On the trip back to Puebla via Jalapa I passed first through the scrubby coastal plain, used mostly for the grazing of cattle but with an occasional citrus grove. The foothills were equally scrubby, but by the time I reached the 5,000-foot level I was in a prosperous farming area. About one hour's ride west of Jalapa I entered onto a huge, flat basin containing mile after mile of cultivated fields which stretched out to the horizon on all sides. This basin was by far the most impressive agricultural scene I encountered in Mexico.

Puebla-Oaxaca

The first part of this trip, until about the vicinity of Acatlán, was through a rolling agricultural area containing large fields

of corn, wheat, and sugar cane. Beyond Acatlán the terrain became hilly and finally mountainous. Agricutural land use ceased completely, and the brown slopes were covered with scrubby brush. After many miles of this barren countryside, I arrived in the basin of Oaxaca, a flat, well-farmed area that stood out almost like an oasis in the midst of dry, rocky hills.

The city of Oaxaca is the commercial center of a large area in southern Mexico. When I was there the city and surrounding area were suffering from an unusually long period of unemployment. The rainy season was slow in arriving and until the rains started there would be little field work available and less money for the merchants. Also contributing to the unemployment was the shut-down of many of the mines in the vicinity.

2. Guatemala, 2 - 6 May

Guatemala City

The city appeared to be an extremely busy place: the main streets were torn up for the installation of new telephones, new roads were being built, new housing projects were underway, and the commercial district was extensive and active. I was told by embassy personnel that the present administration of Castillo Armas was doing a creditable job and was becoming more firmly established each day. It was obvious, however, that much remains to be done in both urban and rural areas to alleviate the poverty of a great portion of the population.

Guatemala City-Quezaltenango

In Guatemala City I rented an automobile and drove westward through the mountains to the country's second largest city, Quezaltenango; then headed south to the Pacific coastal plain; then eastward to Escuintla; and finally northward, back to Guatemala City.

The highway westward from Guatemala City (part of the Pan American Highway system) had for the most part an excellent asphalt surface, but there were numerous detours -- some caused by new construction, others by recent landslides. The road crews were using modern road-building equipment, but the terrain is so rugged that progress is slow.

In addition to the numerous detours, I was delayed by hundreds of Indians who were going home from a weekly market day and who strolled not merely along the highway but all over it. By the time I had passed the detours and the Indians I was in the higher part of the mountains and ran into such low cloud cover that I could see only a few feet in front of the car. When I got out of the clouds, it started to rain. Eventually I reached Quezaltenango.

The mountainous terrain through which I traveled was all that the tourist books claim from the point of view of scenery, but the area left me rather depressed. The people that I saw in this relatively densely settled part of the country were extremely poor Indians -- so poor that they apparently could not even afford a burro or other beast of burden to transport the heavy loads that they carried on their backs. Their goods on display at the one market place I visited included only very poor quality fruits and vegetables and almost no handicraft items. These barefoot, dour people in their small isolated world had little in common with the mestizo residents of the Guatemala City metropolitan area. The government programs for resettlement, agricultural improvement, and road building will probably begin to bring these people into the twentieth century, but this will take generations.

Quezaltenango is the second most important trading center in Guatemala and services the relatively populous western part of the country. It is, however, a small city with only about 40,000 inhabitants. The farms adjacent to the urban area appeared prosperous, at least in contrast to much of the territory through which I had traveled from Guatemala City.

I drove south from Quezaltenango to Retalhuleu via an unpaved but all-weather road. There were several rough, rutty, and narrow detours, but road repair crews were busily at work and appeared to be doing an excellent job. None of the repair work and new road construction that I saw in Guatemala was makeshift -- workmen were using modern road-building machinery to lay substantial foundations, to dig adequate drainage ditches, and to surface the roads. Most of the work is being done by or under the general supervision of U.S. contractors.

From Retalhuleu I traveled via the recently completed Pacific Highway to Escuintla. This road has been built on the Pacific coastal plain and parallels the main mountain chain running east-west across the country. The area is low and flat, and the weather is hot. The principal crops (sugar cane and bananas) are grown on large plantations, in contrast to the tiny plots in many of the mountainous areas. In this lowland are some of the United Fruit Company's plantations and the new resettlement farms established by the Guatemalan Government. These farms are part of a program to alleviate population pressure elsewhere in the country.

Guatemala City-Puerto Barrios

From the capital I traveled via train to Puerto Barrios on the Caribbean, Guatemala's principal port. The city is supported entirely by its port activities and is connected with the highland area, where most of the people live, only by railroad and plane. The new

Atlantic Highway, however, which runs from Guatemala City to the recently constructed port of Santo Tomás, near Puerto Barrios, is nearing completion. When I was in Guatemala a major sector of this highway had just been opened to traffic.

The route of the railroad follows the Motagua River valley and was particularly interesting to me because it traverses a variety of climatic and topographic regions. The 10-hour trip started in the relatively rugged highlands and we slowly descended along the river valley and out onto the coastal plain. The train stopped at many small villages en route and at each stop vendors came through and alongside the train selling local products. These products varried considerably from stop to stop: in dry areas, only chickens and eggs or handcraft items; in the more humid areas, a great variety of food, including oranges, bananas, and baked goods. Since there was no dining car, business was brisk.

3. El Salvador, 6 - 9 May

El Salvador is the smallest and most densely populated of any of the countries I visited, but in my opinion it is also one of the most attractive. The capital city, San Salvador, is a busy place with an extensive commercial district, numerous well-kept parks and plazas, and several attractive residential sections. The new residential sections were particularly noteworthy because the houses had obviously been built for middle-income groups, indicating that El Salvador was no longer merely a land of the very rich and the very poor.

On the eastern outskirts of the city I saw several new industrial plants, including an instant-coffee plant, a large textile mill owned by Japanese and reportedly using local cotton, a tobacco warehouse, and a fertilizer plant.

Time did not permit extensive travel in El Salvador, but I did go as far east of the capital as San Vicente, and to the port of La Libertad southwest of San Salvador. Throughout the rural areas that I saw, almost every usable acre of land was under cultivation and the most important crop was coffee. Not only was the cultivation intensive, but the crops appeared to be of excellent quality.

The port of La Libertad is connected with the capital and the remainder of the country by a good asphalt highway. Cargo at La Libertad must be transshipped in lighters, since the port is an open roadstead. There is one short pier and a large warehouse. At the time of my visit, the latter contained a great quantity and variety of goods, including machinery and sacks of flour.

4. Honduras, 9 - 11 May

I arrived in the capital city, Tegucigalpa, while Honduras and Nicaragua were in the midst of a border squabble -- a problem that has

been recurring for many years. The difficulty arose this time because Honduras recently enacted a law creating a new internal administrative division in territory that is also claimed by Nicaragua. The Hondurans sent official personnel into the disputed area; Nicaragua sent troops. In the clash that followed, some fighting resulted but the actual number of casualties was a matter of speculation. In fact, there was much confusion as to precisely who had done what and when. Since my departure from the area, the Organization of American States has stepped firmly into the picture and both countries have agreed to settle the matter peacefully.

The junta governing Honduras declared a state of national emergency, moved troops toward the disputed area, and took other "wartime" measures. Some, if not all, of these activities may well have been undertaken by the junta to gain the support of the citizenry and to take their minds off local political and economic problems. At any rate, all political groups and most private citizens appeared to be supporting the regime's actions.

One of the unfortunate results of the affair is that the junta used funds earmarked for various developmental projects (such as roads) to outfit recruits and to purchase provisions for the "expedition." This, according to embassy personnel, may have a harmful effect on the already precarious economic situation of the country.

Honduras is one of the poorest countries in Latin America, a fact that was apparent to me almost from the minute I arrived in Tegucigalpa. There are large slum areas and, although some new construction was in evidence, I did not have the impression of being in a country that was making rapid progress, as I had in El Salvador.

I flew from Tegucigalpa to the city of San Pedro Sula in the northwestern part of the country. This city, the major commercial center in Honduras, is situated in the midst of the richest agricultural area of the country. It is near the extensive banana plantations owned by the United Fruit Company and is a coffee and tobacco distribution center. I observed several small factories in the city, and sugar mills are located nearby.

San Pedro Sula and Tegucigalpa are completely different in appearance. The capital is hilly, many of the streets are narrow, houses are of plaster or stone, and there are some multistory office buildings. San Pedro Sula, on the other hand, is built on flat land, the streets though unpaved are wide, many of the houses are wooden, and there are very few large buildings. Their climates also are dissimilar: Tegucigalpa is warm and dry, San Pedro Sula is very hot and humid. In addition, the people living in the two cities are quite different in physical appearance. Most residents of the capital have a high percentage of Indian blood; in San Pedro Sula many of the inhabitants are descendants of West Indian Negroes who came to the area to work on the various plantations.

5. Nicaragua, 11 - 14 May

My first impression of Managua, the capital of Nicaragua, was one of newness -- both because of the many buildings that have been erected in the past several years and because much of the central part of the city was completedly rebuilt after the 1931 earthquake and fire. I spent relatively little time in the city, but I was there long enough to examine the very extensive commercial district, which includes several large public markets and many blocks of stores. The streets are laid out in a neat rectangular pattern and have a very clean appearance. The only objections I had to the city were: (1) I was not permitted to photograph the pink palace that the late President Somoza erected as an officers' club, because of its being a "military establishment"; and (2) churchgoers made a practice of exploding firecrackers at 5 a.m. to rouse the faithful.

I noted none of the excitement over the border "war" with Honduras that I had seen in Tegucigalpa. In Nicaragua it appeared to be a case of business as usual -- and business for the merchants was brisk.

I drove to the city of Granada, east of Managua on Lake Nicaragua, a city that early acquired importance as a commercial center because of the productivity of the surrounding region and because of its position on the route between the Pacific and Atlantic Oceans via the lake and the San Juan River. The city is picturesque with a distinctive colonial type of architecture. The city appeared neat, but it lacked the many modern structures and public works associated with Managua. Granada is the stronghold of the Conservative Party and, since the Liberal Party (i.e., Somoza and his followers) has been in power for some 25 years, a relatively small proportion of the national funds has been spent in Granada.

The facilities of the Nicaraguan office of the Inter-American Geodetic Survey (IAGS) were put at my disposal for one day and I spent several profitable hours examining aerial photographs of the Matagalpa area. The following day I traveled via an IAGS jeep to Matagalpa and had an excellent opportunity to become familiar with this important coffee-growing area.

6. Costa Rica, 14 - 18 May

It took but a short time in Costa Rica for me to confirm my original impression that that country is more prosperous and more highly developed than any of the other Central American states. In both urban and rural areas the average house is a neat, attractive structure and, it seemed to me, rather indicative of Costa Rica in general.

The capital, San José, has numerous parks, clean streets, and a busy commercial district containing many modern shops. In the rural areas

the landscape is equally attractive, with less evidence of poverty than I had noted elsewhere in Central America. There is probably a larger proportion of small- and medium-sized farms in Costa Rica than in any other Latin American country.

Through arrangements made for me by the embassy, I was taken on a conducted tour of the Inter-American Institute of Agricultural Sciences at Turrialba. This international organization is devoted to the study of various agricultural products that are grown, or could be grown, in the Americas, particularly in tropical or semitropical regions. The personnel at the Institute, drawn from the United States and Latin America, include both scientists and students. The physical plant includes offices, laboratories, housing accommodations, a library, and several thousand acres of land. The site of the Institute was carefully chosen to encompass as many climatic regions as possible. It extends from a hot, relatively low valley to cool mountain slopes. I was shown experiments being conducted with coffee, cacao, rubber, pasture grasses, hardwood trees, and various domestic animals. Throughout the tour I was impressed with the accomplishments of the small, dedicated group of men at the Institute.

The embassy also arranged a visit to the United Fruit Company banana plantations on the Pacific coastal plain, at Palmar del Sur and Golfito. Operations at the Company farms approached factory precision. Planting, cultivating, spraying, harvesting, packaging (each bunch in a polyethylene bag), and shipping were accomplished on a tight schedule. Quality control is so rigid that by the time the bunches reach the end of the assembly line there is rarely an imperfect banana.

The United Fruit Company has 16 farms of 500 acres each at Palmar del Sur. The bananas are transported by rail to the port of Golfito, where they are loaded onto refrigerated United Fruit Company ships. I was told that the Company's employees total 7,000.

It was my impression that the Company's labor relations lagged far behind the rest of its operations, which may account in part for the labor unrest in the area. Housing facilities for the laborers appeared to be barely adequate. Recreation facilities were severely limited (for example, movies were shown only one evening per week), and there were no company-sponsored sports. Getting drunk on Saturday night -- followed by numerous fights -- apparently is the only extra-curricular activity.

The Communist Party is active in the area but, according to my not-too-communicative guide (a manager of one of the farms), it has few adherents. The Party attempted to hold a large meeting on May Day this year, but the United Fruit Company sponsored a baseball game (between two well-known, imported teams) at the same time and the game proved to be a far more popular attraction.

While in highland Costa Rica, I also visited various coffee farms in company with a representative of the Foreign Agricultural Service

(USDA) and an ICA agricultural specialist. The trip had been arranged by the Agricultural Attaché, and it gave me an excellent opportunity to increase my knowledge of Costa Rica's most important export crop.

7. Panama, 18 - 22 May

My time and energy in Panama were curtailed by an attack of what I assumed to be dysentery -- or a reasonable facsimile. With the aid of the sulfathiazole tablets in the medical kit supplied by the Agency's Medical Supply Office I made a fairly quick recovery.

I was surprised -- perhaps even appalled -- by the extent of the slums in the city of Panama. Living conditions were clearly worse than in any other city that I visited with the exception of Colón, on the Caribbean side of the country. Colón, in my opinion, is one large, sprawling slum. I traveled to Colón via the Panama Canal Railroad and returned to Panama City by bus. The trip was interesting because the railroad is alongside the canal, and the bus ride gave me at least a quick look at one small part of rural Panama.

8. Colombia, 22 May - 4 June

Because I planned to spend considerably more time in Colombia than I had in any of the countries visited earlier, and because Colombia is much larger and more important, I requested more intensive briefings from the Embassy personnel.

Mr. C. Montagu Pigott, Counselor of Embassy, discussed the geography of the country and had numerous helpful suggestions as to various trips I could take in the time available. Mr. Pigott's comments were especially pertinent because he has traveled extensively throughout Colombia and was fully aware of the elements of the landscape in which I, as a geographer, would be interested.

Mr. Richard Poole, Political Affairs Officer, discussed the present political situation and the background of the recent coup d'etat. He maintained that all elements of the population were opposed to the deposed regime, including the church (a very potent force in this Roman Catholic country), university students, businessmen, labor and farm groups, and many of the military. The reasons for the dislike were many, including the brutality of the regime in crushing opposition demonstrations, corruption, strong censorship, legalistic squeeze on business to bring forth bribes, and attempts to destroy the traditional political parties.

Mr. Henry Hammond, Economic Counselor, commented on the Colombian financial status and the industrialization program. He characterized the national economy as being in extremely shaky financial straits at present and for the immediate future, but he considers it basically sound from the long-range view. In his opinion, the country has developed too

quickly; all phases of the economy have been expanding at an average annual rate of 8 percent for the past several years. The result has been that so many new plants have been constructed that Colombia has not been able to export sufficient products to keep any sort of a trade balance and, therefore, her international credit is dangerously low. In other words, the value of factory output does not yet equal the cost of imported machinery, building supplies, and consumer goods. The irony of the situation, it appears to me, is that this so-called underdeveloped country has, on the one hand, eliminated the "mañana complex" in many phases of its economic life and is rushing into the industrial era; while, on the other hand, it is being told by the United States and the international banking organizations to slow down its rate of progress.

Bogotá

Bogotá, a city of almost a million people, is spectacularly situated on a broad basin partially encircled by the massive ranges of the Colombian Andes. In the heart of the city the numerous architectural landmarks of the colonial period are dwarfed by tall, modern office buildings. Also, many of the older structures are being razed to make way for newer and even bigger buildings. In the western outskirts of the city are various industrial plants, some well established and others just in the process of being built. These partially completed buildings plus the numerous billboards announcing that "This site is the future home of ___" were obvious indicators of the growing importance of the Bogotá area as an industrial center.

Villavicencio

My first trip out from Bogotá was to the city of Villavicencio on the edge of the llanos, or great plains. Cattle raised on the vast ranches of the llanos are brought to Villavicencio for shipment to Bogotá. During the dry season the ranches can be reached via crude roads, but airplanes appear to be widely used; dozens of small landing strips are scattered throughout the plains, and an "aerotaxi" service is operated out of Villavicencio.

Bogotá to Cali

The route from Bogotá to Cali traversed four important regions: the Eastern Cordillera, the Magdalena Valley, the Central Cordillera, and the Cauca Valley. It was a most informative journey, but after 15 hours on a bus I was more than happy to reach my destination.

The beginning of the trip was through the densely populated, intensively cultivated basin of Bogotá. Within a few hours, however, we were crossing the rugged Eastern Cordillera, a region of sparse settlement. Most of the cultivated land in this mountainous area appeared to be devoted to corn, rice, and coffee. The road through the mountains was in excellent

condition; the bus driver was a "hot rodder" but skillful. We dropped down into the Magdalena Valley and I remained overnight in the city of Giradot, a river port and coffee-processing center.

From Giradot we crossed the western part of the Magdalena Valley and climbed up and over the Central Cordillera. The scenery in these mountains was spectacular, with many sharp ridges and narrow valleys; the slopes were so steep that the bus traveled a great part of the way in low gear despite hundreds of switchbacks. Although much of the terrain is precipitous, the area is not sparsely settled; coffee farming, on a small scale, appeared to be the principal economic activity.

After many hours of twisting and turning through the mountains and foothills we reached the broad, flat Cauca Valley. The fields in this valley are much larger than in the mountainous part of the country, and the soil is unquestionably highly productive. Sugar cane, corn, and lush pasture grass were the principal crops along the route I traveled.

The city of Cali is the chief commercial center of the Cauca Valley and one of the busiest cities in Colombia. Cali's importance is due to its location in the intensively cultivated Cauca Valley and its proximity to the Pacific port of Buenaventura. In the vicinity of Cali are numerous factories producing a variety of products, including rubber tires, shoes, paper products, textiles, and food products.

Cali to Medellín

This trip took me through a great part of the Cauca Valley, the most prosperous agricultural region in Colombia. I traveled by train to Manizales and by plane from there to Medellín. The fields in the valley are tremendous -- much larger than any I had seen elsewhere in Colombia -- and are owned by the wealthier landowners, not by the peasants. I noted, in addition to cattle and sheep, the following crops: corn, sugar cane, tobacco, vegetables, and pasture grasses.

About halfway to Manizales we began to climb out of the valley and passed through low, rounded hills used primarily for grazing cattle. Near Manizales we traversed some of the steepest agricultural land I have seen anywhere, most of it used for growing coffee. The many small farms in this area produce a large share of the country's coffee production.

Medellín

Medellín, a thriving city of some half-million people, lies in a relatively narrow valley in the Central Cordillera. Many of the residences, most of the industries, and the principal business district are located in the lowest and flattest part of the urban area. The basic industry is the production of many kinds of textiles -- from

thread to suits. One of the textile mills is reportedly the second largest in Latin America. In addition, there are at least six others of good size and numerous smaller establishments. Other plants in or near the city produce or process cement, tobacco, coffee, ceramics, and a great variety of other products.

While in the Medellín area I also visited a large commercial farm where coffee, sugar cane, and cattle were raised. The establishment was so large that it required the services of some 250 employees and 3 managers -- 1 manager for each of the principal products.

Medellín to Puerto Berrío to Barrancabermeja

I traveled by train from Medellín to the Magdalena River port of Puerto Berrío, and from there by river boat to Barrancabermeja.

Near Medellín, much of the rural land was being used for production of coffee, but most of the area in this northern part of the Central Cordillera is sparsely settled. As we approached Puerto Berrío and the Magdalena River the terrain became flatter and the climate was noticeably warmer. Puerto Berrío is a small, dusty, dirty river port with no paved streets. Despite its size and appearance, it is a busy transshipment point. Cargo is brought upriver from the Caribbean by river craft and transferred to railroad cars at Puerto Berrío for movement to Medellín. Also, coffee and other products are shipped from Medellín and elsewhere via Puerto Berrío to the world market.

I made the trip on the Magdalena River via an old, dilapidated, stern-wheeler. The boat carried a dozen passengers and pushed a barge loaded with coffee, sugar, and miscellaneous building supplies. The river is a major stream, at places more than a half-mile wide. Dense vegetation grew to the very edge of the banks and, because of the recent heavy rains upstream, all beaches were covered by water. The entire area from Puerto Berrío to Barrancabermeja was almost devoid of people. Only occasionally did I see a cluster of houses or even an isolated house. I was told that fishing is the main occupation of the few people living along the river.

Barrancabermeja is an active river port servicing the oil refinery, which is located in the town, and the nearby oilfields -- both government-owned enterprises. The town itself is large and unattractive. Most of the streets are unpaved but have been treated with oil which eliminated some of the dust.

From Barrancabermeja I went by plane to Bogotá and from there to Caracas, Venezuela.

9. Venezuela, 4 - 15 June

At the embassy in Caracas I had discussions with the Administration Officer, Mr. Verne Larson; the Petroleum Specialist, Mr. M. Hollis Kannenberg; and the Assistant Agricultural Attaché,

Mr. John Montel. With Mr. Larson the principal topic of conversation was the rapid development of Venezuela in general and of Caracas in particular during the past few years. Mr. Larson characterized the growth of Caracas by stating that, in the mere 18 months he had been in that city, so many changes had been made that it appeared to be a completely different city from the one he saw when he first arrived.

Mr. Kannenberg and I discussed the primary source of Venezuela's wealth -- oil. He illustrated the magnitude of this wealth by noting that the sale of new petroleum concessions netted the Venezuelan Government some 700 million dollars during the past year. This money, of course, was in addition to the many millions that the government received as its share of the profits from the sale of oil.

Mr. Montel, unlike many of the embassy personnel, had had an opportunity to travel rather widely in Venezuela; as the result, his suggestions concerning my itinerary in the country were most helpful.

Caracas

I had read many accounts of the rapid growth and tremendous building program in Caracas, but even so I was surprised by the scope of the undertaking. In other major cities that I had visited previously on this trip, I had seen evidence of sizable urban growth and many new buildings, but in Caracas the development is on a city-wide basis. Extensive slum areas have been eliminated and quickly replaced with attractive, modern living accommodations. Broad thoroughfares have been constructed through formerly congested areas. Numerous public buildings, including schools and hospitals, have been erected. One hospital in particular is immense, reportedly containing 1,200 beds. Despite this energetic -- almost frantic -- rebuilding program, much remains to be done before Caracas is the complete show-place the planners have envisioned. Shacks and other disreputable buildings still cover some of the hillsides that partially surround the city; and tucked away behind some of the new, ultra-modern structures are the poorest kind of shelters.

Puerto Ordaz

A trip to the United States Steel iron-ore operations in southeastern Venezuela was arranged at my request by Mr. Kannenberg of the embassy staff. I flew to Puerto Ordaz, on the Orinoco River, and was met there by the director of public relations of the Orinoco Mining Company, the local U.S. Steel subsidiary. We toured the company's facilities at Puerto Ordaz and then visited the open-pit mining site at Cerro Bolivar, a mountain 75 miles southwest of Puerto Ordaz.

The concession to exploit iron ore in this area was granted just 10 years ago, and since that time the Orinoco Mining Company has built

a sizable town, ore-crushing facilities, and a pier at Puerto Ordaz. During this same period the Company began to mine the ore at Cerro Bolivar, constructed the town of Ciudad Piar near the mining site, and connected the mine and Puerto Ordaz by a railroad and a road.

The ore body at Cerro Bolivar contains some 500 million tons of high grade ore. The iron content of this ore averages about 65 percent, which is considerably higher than that of the Lake Superior iron ore. In May of this year, one million tons of ore were shipped out of Puerto Ordaz, destined for Mobile, Alabama, or Morrisville, Pennsylvania. The Company expects to be shipping 1.5 million tons per month by the end of 1958.

It was apparent that the Company has taken considerable care to develop an excellent employee-employer relationship. Instead of building the more usual barracks type of company housing -- such as I saw at the United Fruit Company plantations in Costa Rica -- Orinoco Mining has constructed modern, concrete, detached houses for its employees and their families. In addition, each of the towns has a so-called civic center including a church, a supermarket, a cafeteria, stores, a motion-picture theater, and a clubhouse. The hospital is a handsome, air-conditioned structure. The towns are not fenced, and the laws are administered by legally appointed Venezuelan civic officials.

Venezuelan Andes

Upon returning to Caracas, I went by car (inter-city taxi shared by five or more passengers) to Barquisimeto, Trujillo, and Mérida in the Venezuelan Andes. This trip through one of the most densely populated parts of rural Venezuela gave me an opportunity to observe not only a different way of life from that in Caracas but also some of the most rugged terrain I had ever seen.

Toward the beginning of this trip we passed through the prosperous Valley of Valencia, which contains some of the best farm land in the country. In sharp contrast to this garden spot was the area around Barquisimeto, a region of little cultivation and scrubby vegetation. An indication of the lack of agriculture between Barquisimeto and Trujillo was the fact that the few road-stands along the way were selling only hammocks, mandolins, and caged birds -- no foodstuffs.

The gravel road from Trujillo to Mérida follows the deep valley of the Motatán River upstream toward its headwaters; then climbs, by a series of switchbacks, up to and over a ridge at about 13,000 feet; and, on the other side of the ridge, drops gradually down the valley of the Chama River to the city of Mérida.

The terrain is both rugged and massive. The main and lateral valleys are steep sided, and several of the ridges are so high that they have permanent snowfields and glaciers, despite their tropical location.

I saw no habitation at the highest elevations we reached, but many isolated farms and at least half a dozen villages were situated in the valleys. The rocky, steep fields in this area have been cultivated for at least four centuries. Potatoes and wheat appeared to be the principal crops.

Maracaibo Oilfields

I flew from Merida to Maracaibo and there met the U.S. Vice Consul who arranged a tour of the Creole Petroleum Corporation (Standard Oil of New Jersey) oilfields on the eastern side of Lake Maracaibo. Creole is one of the "Big Three" in Venezuelan oil, along with Shell and Mene Grande (Gulf).

My Creole hosts were most cooperative and gave me an intensive, two-day trip through every part of their operations, including the La Salina, Lagunillas, and Bachaquero oilfields, pumping stations, employee housing projects, gas injection plant, repair shops, docks, and offices. Each phase of their operations is on a grand scale. For example, the gas injection plant, located on Lake Maracaibo, about a mile from the shore, covers an area about the size of a football field. Also, the number of oil derricks in the area -- both in the lake and onshore -- runs into the thousands.

After completing the Creole tour, I flew back to Caracas, and from there to New York and Washington.

10. A General Observation

Throughout this trip I was surprised by the variety and quantity of non-U.S. manufactured goods in use in this backyard of the United States. For a few years after World War II, U.S. concerns had what amounted to a monopoly in this area. Since that time it is apparent that European and other manufactures have cut deeply into this market and appear to be making a determined effort to become even more firmly entrenched in the Latin American commercial picture.

The Germans are particularly active. I observed German salesmen not only in the large urban centers but also in numerous out-of-the-way places. I was told by one U.S. salesman in Venezuela that the Germans are called "30 percenters" because they have a reputation for offering their products for 30 percent less than the prices asked elsewhere.

English radio-telephone equipment was in use in the taxis of Veracruz, Mexico; my hotel in Oaxaca in southern Mexico, as well as several other hotels where I stayed, had Swiss elevators; and many English, German, French, and Italian automobiles were in use in all the countries. In Guatemala City a German firm is handling the 20,000-phone renovation program. The bus fleet in Tegucigalpa, Honduras, consisted entirely of Microbuses; and the taxis in San Pedro Sula, in northern Honduras, were primarily Volkswagens.

In addition, Japanese products are coming back into the Latin American market. Near San Salvador a Japanese firm has just completed a sizable textile mill reportedly designed to use local cotton. In Caracas the new Japanese jeep (called the "Land Cruiser") has just been offered to the public.

Also, the national industries in most of the countries I visited are becoming more significant. In Colombia, local factories produce most of the tires, petroleum products, and clothing required, as well as many other items. Mexican industries also are supplying a greater share of the manufactured products consumed locally than they did in the past. In fact, I noticed Mexican-made tools in Central American hardware stores.

Although in recent years Soviet Bloc countries have sent trade promotion missions to Latin America and have offered various barter and credit deals, I saw no evidence of significant Soviet economic penetration.

III. Problems or Difficulties

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[redacted]

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[redacted]

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[redacted]

IV. Commitments

No commitments were made.

V. Recommendations

A. My strongest recommendation is that continued support be given to the Area Familiarization Program. I learned more about the countries visited during this 8-week trip than I could have in months of document-scanning. Also, I suggest that my procedure of discussing with embassy personnel the current developments and problems within each country be followed wherever possibe. I found the embassy staff members more than willing to discuss such matters, particularly when I had specific questions to ask.

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cover procedure might also include the printing of business cards, since it is customary in some countries -- as in Latin America -- to exchange cards. In addition, it would be helpful if the embassy were informed in advance of the cover story.

C. I further recommend that travelers be advanced more money than they expect to spend rather than attempting to make a precise estimate of needed funds. If this is not done, then some provision should always

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25X1A9a [redacted]

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